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of the American farmer or of the existing agencies for meeting them. Most of what Mr. Morman says has appeared in the popular press of the country and has the shortcomings of this class of writing—it abounds in half truths. In this book Mr. Morman has not done himself credit. There is much evidence of haste; there are many infelicities in English and many misstatements as to facts.

SCHWARTZ, F. *Städtischer Grundkredit und Tilgungshypothek*. (Berlin: Guttentag. 1915. Pp. 91. 2.50 M.)

SCHULZE-GAEVERNITZ and JAFFÉ. *Grundriss der Sozialökonomik*. Part V, vol. 2. *Bankwesen*. (Tübingen: Mohr. 1915. 6 M.)

WOLFF, S. *Das Gründungsgeschäft im deutschen Bankgewerbe*. (Stuttgart: Cotta. 1916. Pp. x, 284. 6.50 M.)

*The bank and the individual*. (Boston: National Shawmut Bank. 1916. Pp. 28.)

*Proceedings of the forty-first annual convention of the American Bankers Association, held at Seattle, Wash., Sept. 6-10, 1915*. (New York: F. E. Farnsworth, secretary. 1916. Pp. 725.)

Contains also proceedings of the trust company, savings banks, and clearing house sections.

*Rediscounting with the Federal Reserve Bank of St. Louis*. (St. Louis: Federal Reserve. 1916. Pp. 58.)

*White and Kemble's analysis of the New York, Massachusetts, Connecticut, and Vermont state laws relative to the savings bank investments in the securities of railroad corporations and the application thereof, 1916*. (New York: White & Kemble. 1916. Pp. 99. \$15.)

*Das schweizerische Bankwesen in den Jahren 1906-1913*. (Bern: Stämpfli. 1915.)

### Public Finance, Taxation, and Tariff

*Government Finance in the United States*. By CARL C. PLEHN.

The National Science Series, edited by FRANK L. McVEY. (Chicago: A. C. McClurg and Company. 1915. Pp. 166. \$0.50.)

Professor Plehn has undertaken the difficult task of presenting in popular form a view of the facts and tendencies of public finance in this country: difficult because the statistical material, which must form the basis of such a study, is full of pitfalls and does not easily lend itself to clear popular presentation.

Although the book was evidently prepared with some haste, Professor Plehn makes clear the fact that expenditures by all branches of government in this country are increasing rapidly, the directions which this increase is taking, and the causes which

influence it. Most interesting to economists are the conclusions reached in regard to conditions and policies in the United States. The author believes for reasons stated in some detail (p. 61) that "the greatest growth in government expenditure is coming in the field of state finance." At the present time successful tax reform is moving along three lines, centralized administration, segregation of the sources of state and local revenue, and the opening up of new sources of tax revenue, either as substitutes for old ones or as a means of reaching tax-paying ability not reached before. Although the charge that segregation leads to extravagance in state finance is not supported by satisfactory evidence, it is far from offering a complete solution of the problem of securing additional revenue for the states. The solution must be found in new state taxes. The most promising of these is the state income tax. Generally, he would assign to the federal government indirect taxes with an income tax for great emergencies; to the states, income and inheritance taxes, supplemented by various forms of taxes which the states have already developed and which do not encroach on the sources of local taxes; to local bodies, the general property tax, supplemented presumably by license taxes and special assessments. He apparently has little sympathy with the movement towards classification, with different rates for different classes of property, or with attempts directed to partial confiscation of the unearned increment of land.

It is interesting to compare the author's statement that "as the appropriation of the inheritance tax by the states put an end to its proposal for a federal inheritance tax, so the general use by the states of the income tax may be expected to have the effect of limiting its use by the federal government to grave emergencies," with Professor Seligman's statement, in his address before the Pan-American Congress, printed in the *Columbia University Quarterly* for March, 1916, that, while indirect taxes might suffice for federal revenues, there has in recent years developed "an irresistible demand to supplement the system of indirect taxes by direct taxes which would respond more clearly to the principle of individual ability to pay." "This movement has resulted in the imposition of a federal income tax, and will probably lead to the enactment of a federal inheritance tax;" a result to be desired in Professor Seligman's opinion, although he recognizes that the states may fairly claim a share in the proceeds of both income and inheritance taxes.

Competent as he is in handling such material, the author does not entirely escape the pitfalls. Thus in making comparison between federal expenditures in 1810 and 1911 (p. 26), the figures on which the per capita figures are based include expenditures for the post office and debt charges other than interest in 1911, but not in 1810. The item for debt charges which is included in total expenditures on account of war (p. 23) includes \$35,000,000 on account of the bank note redemption fund, which could hardly be classed as war expenditure. The figures for all expenditures of cities including debt payment, sinking fund transactions, and transfers, used on pages 52, 58 and 59, are a less significant indication of the amount and growth of municipal expenditure than would be the figures for "governmental cost payments." The exclusion of the revenue from the corporation income tax in making comparison of the yield of the income tax in this country and in the United Kingdom (p. 121) is certainly open to question. There are also occasional slips on matters of fact. If we accept the census figures for wealth, federal expenditures have not "increased faster than wealth, both in the aggregate and per capita" in recent years (p. 27). The only decade since 1870 in which federal expenditures have increased more rapidly than wealth is the decade 1890 to 1900. The proportion of expenditures to wealth was less in 1912 than in any census year since 1860. On page 33 the statement is made that in 1800 federal expenditures for the army, navy, and interest left the government poor and that it was saved only by "the proceeds from the sale of public lands, which began to come in soon after this." As a matter of fact, receipts from public lands were small for the period 1800-1812 but in every year with the exception of 1809 receipts from customs yielded a large surplus over all expenditures making possible the rapid reduction of the debt for which Gallatin's administration of the treasury is famous. The circulating notes of the government amount to \$347,000,000 not \$375,000,000 (p. 42). The increase of county indebtedness from \$200,000,000 to \$372,000,000 was not an increase of 186 per cent (p. 109). The English income tax before the war did not reach its maximum rate at incomes of \$3000 (p. 121). The federal government in the United States was not by the constitution "forbidden to use certain direct taxes" and it is hardly correct to say that it "recently has definitely acquired the right, granted before but not too clearly, to use an 'income

tax'" (p. 118). A superfluous comma gives a peculiar meaning to the statement, "It is estimated that the Civil War cost the Federal Government \$6,190,000,000 all told, exclusive of pensions, since 1880" (p. 34).

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*American Municipal Progress.* By CHARLES ZUEBLIN. New and revised edition. Social Science Text-Books, edited by RICHARD T. ELY. (New York: The Macmillan Company. 1916. Pp. xiv, 522. \$2.00.)

The output of books dealing with municipal topics has been astoundingly generous during the past decade. In fact, a casual observer might gather the impression that we are trying to atone for the slight attention which we formerly accorded municipal government in its many phases. And it must be confessed that in all this making of books about our American cities the general average has been discouraging low. Our cities have progressed more rapidly than have our methods of exploiting this progress.

But Zueblin has given to American students of municipal government the most practical work yet published. He has taken the original edition which appeared in 1902 and brought it distinctly down to date. Indeed, the 1916 edition is so modern alike in the municipal progress which it records and in the spirit which animates it throughout that it resembles the original work only in the larger outlines. The difference in the content of the two books discloses in a striking manner the comparatively enormous strides that American cities have made in the fourteen years intervening between the two editions. The purpose of the book is to record "typical instances of American municipal progress"; and it is "designed primarily to indicate to civic and social workers, public officials and intelligent citizens the vast scope of municipal activity."

Zueblin must have been very much impressed with the persistent efforts of the cities to socialize their governmental instruments: he devotes the greater part of his space to describing the social welfare programs of American municipalities. And he is fully justified in this partiality by the actual experiences and purposes of the American city. He describes in a very graphic manner what the municipalities are doing in the field of charities and corrections, in providing educational facilities for their youth, in